

FOR IMMEDIATE RELEASE

1. September 29, 2006

**O'HARA REGIONAL CENTER FOR REHABILITATION AGREES TO \$1.9 MILLION
TO SETTLE MEDICARE AND MEDICAID LIABILITY**

Troy A. Eid, United States Attorney for the District of Colorado, and John W. Suthers, Attorney General for the State of Colorado, announced today that the United States has entered an agreement with the ORCR, Inc. d/b/a O'Hara Regional Center for Rehabilitation (O'Hara), in which the United States and the State of Colorado will dismiss a law suit filed November 10, 2004, in return for the corporation reimbursing the State and Federal governments \$1,900,000.

O'Hara was a long-term rehabilitation facility licensed by the Colorado Department of Public Health and Environment's regulations and was reimbursed under the Colorado Department of Health Care Policy and Financing regulations. O'Hara's focus was to provide both intensive nursing care and comprehensive rehabilitation to the severely disabled. The major diagnostic categories for admission of residents to O'Hara were traumatic brain injury, spinal cord injury, multiple sclerosis, stroke in younger adults, severe and complex orthopedic disabilities, as well as congenital or progressive disease processes such as cerebral palsy, muscular dystrophy, ALS and degenerative brain disease. O'Hara was located at 1500 Hooker Street in Denver, and closed in December of 2000.

On November 10, 2004, the United States and the State of Colorado filed a civil complaint in U.S. District Court, in Denver, Colorado. A First Amended Complaint was filed on October 4, 2005, and a Second Amended Complaint on November 18, 2005, seeking damages for the submission of claims to the Medicare and Medicaid programs.

The United States and the State of Colorado alleged that O'Hara submitted claims for services when it was substantially out of compliance with the Medicare and Medicaid regulations. O'Hara has denied the allegations. The settlement is between the United States, the State of Colorado and O'Hara and resolves all the issues raised in the civil law suits. Therefore, all the parties have agreed to the dismissal of the civil action.

The State of Colorado will receive \$868,894.00 from the settlement amount to reimburse Medicaid. The rest of the settlement will go to the United States government for Medicare and the Federal share of Medicaid.

"The Department of Justice is committed to protecting the Medicare and Medicaid programs," said U.S. Attorney Troy Eid. "This settlement is a successful conclusion of a very complex case and has resulted in the recovery of taxpayer money."

"We will continue efforts such as this lengthy and difficult investigation to ensure that claims paid by the Medicaid program are appropriate to protect the integrity of the Medicaid system," said Attorney General John Suthers.

The matter was investigated by the Office of Investigations of the U.S. Department of Health and Human Services, and the Medicaid Fraud Control Unit of the Colorado Attorney General's

Office.

The case was handled by Assistant United States Attorneys Edwin Winstead and Kevin Traskos, and State of Colorado First Assistant Attorney General Robert Douglas and Assistant Attorney Generals Lisa Brenner Freimann and Alisa Campbell